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MONTANA *Industrial Horizons*
STATE PLANNING BOARD Volume 11—No. 3, 1966

Top European and U. S. Racers To Coach at Lolo Luge Clinic

PHOTO BY BILL BROWNING

Luge racer above rounds curve and heads for fast straightaway in one of races held last year on Lolo Hot Springs luge run. Race schedule this year includes 3 qualifying races for the 22-man Olympic squad to be selected this season: Jan. 13, 14, 15; Jan. 21, 22; Jan. 28, 29. A luge clinic is to be held there from December 26 through January 8.

Five European lugers, including two gold medal winners, will be arriving in Missoula December 28 to take part in the 2-week U. S. Olympic Development Luge Clinic to be held at the Stan Benham Luge Run at Lolo Hot Springs. Heading the group will be Bert Isatitsch, president of the Federation Internationale de Luge de Course, from Austria. Accompanying him will be Helene Thurner, also from Austria, Hans Plenk from West Germany, Maier Siegfried from Italy, and Christian Strom from Norway. Miss Thurner and Plenk were recipients of gold medals in the 1964 Winter Olympics.

All five are experienced lugers and will instruct the Americans in developing proper techniques and training habits. Luge is a new sport in North America and this will be the first opportunity we have had to watch the experts perform on the Lolo run. Three Americans, Tom Neely of Sun Valley, Buddy Feltman of Idaho Falls, and Mike Hessel from Eugene, Oregon, who were competitors in the luge events of the 1964 Olympics, are also expected to participate.

The North American International Championship races are to be held January 6, 7, and 8 during the clinic and will be televised by ABC Wide World of Sports.

The upcoming clinic will be an exciting event, with lugers from Montana and a number of other states learning from and competing with lugers who were selected to come from among the top racers in Europe. The sport has been popular in Europe for many years. There are about 15,000 organized lugers in Aus-

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Tax Reforms, Credit Corp. Law Sought In 1967 Legislature

The State Planning Board in its report to the 1967 legislature points out several "problem areas" relating to industrial devolepments that it hopes will be considered for legislative action. Meetings are being held with interested firms and associations to discuss these particular legislative matters, and bills are being drafted that would give Montana a better business climate.

Inventory Tax

First is the inventory tax. Several industrial prospects have informed the State Planning Board that the cost of this tax is of concern to them when considering a Montana location.

The Montana Retail Association in its **Legislative Report** says that "The inventory tax is generally accepted by all as the most inequitable of all taxes." The report discusses a number of reasons for this: has no relationship to the businessman's ability to pay, penalizes the aggressive businessman who is trying to offer a broader and greater depth of merchandise to his customers, inequitable between businesses which are required to pay this tax, most difficult of all property for county assessors to assess, extremely costly and expensive for assessors to collect.

The Tax Study Task Force of the Montana Legislative Council recom-

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3rd Annual Montana

Inventors & Manufacturers Exposition

March 23, 24, 25
University Lodge
Missoula

Contact: State Planning Board, Helena

4-State Phosphate Seminar Shows Promise for

An industrial seminar on the western phosphate region was held in Butte, Montana, in October. The seminar was sponsored by the Montana Bureau of Mines and Geology and the State Planning Board for the 4-state area of Montana, Wyoming, Idaho, and Utah. This region contains about 42 percent of the known reserves of phosphate rock in the United States, but produces only about 14 percent of the national production.

The meeting attracted over 150 representatives from 18 states and 3 Canadian provinces. Forty-four companies were represented.

Statistics as to amount of known reserves and predicted increased use of phosphate, particularly in fertilizer, indicate that there is a great potential for this resource. However, a number of problems were cited that would have to be worked out before the West will be able to increase sale of the raw product or expand into additional processing industries. Most of the rock now mined goes to Canadian fertilizer producers.

Fourteen papers on all aspects of the phosphate field were presented at the seminar. A copy of the proceedings which will include all of the papers will be available in about three months from the Montana Bureau of Mines and Geology at Butte. Following are statements from several of the papers.

Growth of Phosphate Industry Is Forecast

Travis P. Hignett, director of chemical development for the Tennessee Valley Authority, said that TVA had forecast an increase of 80 percent in consumption of phosphate fertilizer by 1980 as compared with 1964; west of the Mississippi the increase would be about 115 percent. However, he said they now find that this estimate was too conservative because we have already reached in 1966 the point that they predicted we would reach in 1970.

He said that in the last 3 years phosphate output on a worldwide basis has increased by an average of more than 10 percent per year. Most of this increase was caused by increased production of phosphate fertilizer which accounts for about 85 percent of phosphate production. Continued growth of the industry is expected, for fertilizer is the key to food production, and the world's expanding population cannot be fed without it.

Western Mines To Supply More of Phosphate Needs

The U. S. Bureau of Mines was represented by A. L. Service of the minerals resources division, Spokane. He is coauthor, with C. C. Popoff, of the report "An Evaluation of the Western Phosphate Industry and Its Resources," published by the Bureau of Mines in 1965.

He said that since 1948, Idaho, Montana, Wyoming, and Utah have shown an increase in mine production of phosphorus of more than 326 percent and a gain in product sold or used of more than 262 percent.

Service said that 85 percent of the total elemental phosphorus reserves in the United States is in Tennessee, Idaho, and Montana. The outlook for the western states appears promising, since, he said, at the present rate of production Tennessee resources will be largely depleted within 25 to 30 years. Florida has adequate resources of phosphate rock, but power rates are considerably higher than in other areas (in 1963 power rates in Florida ranged between 7 and 8 mills per kva, compared with about 2.2 to 5 mills in Montana and Idaho).

The Bureau has made certain projections as to the outlook for the western phosphate industry to the year 1975 in an effort to determine the requirements that will have to be met 10 years hence. Service said the overall long-term annual growth of phosphate rock requirements for the nation's phosphorus industry is expected to be 4.4 percent per annum. Requirements from western deposits were projected at an annual growth rate of 5.5 percent.

He said that the market area for fertilizer products produced in western plants has been one of the most rapidly expanding in the United States during the past 15 years; a trend that is expected to continue. All producers of phosphate fertilizers have or are in the process of expanding plant facilities in anticipation of this future market.

Most of the rock exported from the West (86 percent of the production in this region was exported in 1963) goes to Canadian fertilizer producers in Trail and Kimberly, British Columbia, and Medicine Hat, Alberta. Announced expansions in these areas and new construction in other provinces indicates that exports of both rock and concentrates will continue to increase over the next 15 to 20 years. Mines in Montana have supplied most of the phosphate rock for export in the past, but more rock is expected to be shipped from Idaho, Wyoming and Utah to supply new plants now under construction. Fertilizers, principally ammonium phosphates, manufactured in western Canada are exported to markets in the western and midwestern United States. A recent report projects western Canadian exports to increase from 50 to 60 percent during the next 10 years with a large portion of the increase going to markets in the western United States.

Marketing Outlook

D. L. King from Montpelier, Idaho, president and general manager of San Francisco Chemical Company, said that in 1965 Florida produced 20,625,-

...ture of Resource In the West

000 tons of phosphate rock; Tennessee produced 2,970,000 tons; and the West produced 3,850,000 tons.

Commenting on the prospects for development of additional facilities to manufacture elemental phosphorus or fertilizer, he said the bottleneck has been, and is today, the sale in the western trade area for phosphatic fertilizers. A secondary bottleneck to fertilizer production in this region is sulphur. However, King expects that this is just a temporary condition as many sources of sulphur in the region remain unworked or wasted.

As for the market bottleneck, King believes that it will be many years before the market in the immediate area, near the phosphate deposits, develops to any real degree, so we must content ourselves with the future outlook much as it exists today—that of hauling a low-priced raw material to distant markets. "Perhaps this makes some sense when it is considered that the 'per mile' rail rate for moving phosphorites is approximately one half that for moving any dry fertilizer," King said.

King pointed out another problem, which he said was part traditional, part prejudicial, and, only lastly, part technical. He said that beginning with the fertilizer industry 75 years ago and continuing to today, over 90 percent of the phosphatic fertilizer manufactured in the United States has been made from Florida phosphorites. Since the great percentage of phosphorite "raw material" has come from Florida, most of the process changes have been made to accommodate that particular material. This, then, has given the industry the mistaken idea that Florida phosphorite is superior to western phorphorite. A good part of this is simple tradition—like Bayer Aspirin and Coca Cola. But he cautioned that we should examine certain truths which exist in the western deposits, and how they might be controlled to insure the future marketing of western phosphorites against material from Florida or other world tidewater production.

King commented on how the industry has changed in just a very few years . . . that "A few cats, a shovel, a few trucks, and a phosphate outcrop do not a phosphate miner make." "Replacing this simple system," he said, "is fine crushing, fine grinding, attrition, cycloning, flotation, etc., etc., all developed and arranged through careful research, analysis and an intimate knowledge of the 'allowables' in the industry."

He was optimistic that the West has the ability to produce a product that will compete favorably with any material produced in the world, and at competitive prices.

4-State RD Committee Proposed

Dr. Sid Groff, general chairman for the seminar and geologist with the Montana Bureau of Mines and Geology, presented a proposal for consideration, to organize a 4-state phosphate research and development committee. The proposal was enthusiastically supported by representatives from all four states, and steps are now being taken to form the committee.

"In the closing session of the seminar, it was agreed to continue it as a biennial affair, to be rotated among the four states," Dr. Groff reported. "Pocatello, Idaho, was selected as the site of the 1968 seminar. The 1968 meeting will emphasize research rather than the economic emphasis at the Butte meeting."

He added that "There was general agreement also that competition can be met, and the phosphate industry of the western region will continue to expand, possibly to become the most important single mineral industry in the region in the next quarter of a century."

FERTILIZER USE STUDY NEEDED FOR MONTANA

In 1965 a total of 80,000 tons of commercial fertilizer was used in Montana. It is estimated that 315,000 tons could have been used for optimum economic return.

The estimate was made by the Soil Fertility and Management Subcommittee of the Montana Rural Areas Development Committee.

The committee has prepared a draft of legislation to be considered by the next legislature to set up a fertilizer and related soil management program to assist farmers and ranchers in determining proper use of fertilizer for different soil and climatic areas of Montana.

Their study of the benefits that would derive from more effective fertilizer use proposes that the annual farm income and resultant business trade in 1965 could have been increased by $124,000,000, and $2,500,000 added to the state income tax fund.

They say that on an average only about 29 percent of all cropland in Montana is fertilized. In a test area around Fairfield, malting barley yield has increased 19 bushels to the acre between 1960 and 1965 through increased use of fertilizers.

In the News . . .

Daum Development Corp. of Boise, Idaho, has announced it will build a major shopping center in **Great Falls.** President Harry Daum estimated cost at between $5 and $6 million. He said it will cover 350,000 sq. ft. and have an enclosed mall. Daum revealed that J. C. Penny Co., F. A. Buttrey Co. and Buttrey Foods and several other firms have commitments to take space. Plans call for construction to start next spring. The Idaho firm operates shopping centers in 11 states.

* * *

Northern Cheyenne Originals, at **Lame Deer,** Montana, is making Christmas decorations for sale from pine cones and pine needles. About 20 people from the Northern Cheyenne Reservation are employed making the pine cone trees and wreaths. The decorations are sprayed a variety of colors and fitted with minature lights. Order forms for the items are sent upon request, and the decorations are on display for sale in a number of Montana cities.

* * *

Metals Bank & Trust Co., Butte, will start construction of a new $1,000,000 building next spring.

* * *

Trekker Chemical Co., an Arkansas firm, will build a $200,000 agricultural chemical manufacturing plant in **Billings,** to produce plant hormone chemicals for weed and brush control. About 15 people will be employed, and they expect to be in operation within three months.

* * *

Construction of the **Miracle Mile Warehouse** in **Missoula** has been completed and is available for rental to firms needing trackside warehouse facilities. It was built by Wright Lumber Co. of Missoula, Keith Wright, President. The 240x 66 ft. insulated building can be divided into six completely separate warehouse areas, each with its own office space, electricity, plumbing and heating facilities.

* * *

Burlington Lines has opened a western Montana traffic office in **Missoula** to better serve shippers, receivers and communities. The balance of the state will continue to be served by an office in Billings.

* * *

Montgomery Ward has opened a new store in the Holiday Village shopping center in **Great Falls.** The store employs around 290 people.

TAX REFORMS, CREDIT

(Continued from page 1)

mends that "In view of the unavoidable inequities and the undesirable economic effects of the property tax on this class of property (merchants' and manufacturers' inventories), its exemption is recommended." However, since it would take a constitutional amendment to manage complete exemption, the Task Force advises that the tax could be reduced to a point where it was inconsequential.

Along with merchants' and manufacturers' inventories, the Task Force lists agricultural products, solvent credits, and household goods as being the least suitable for property taxation, and recommends that the tax on all of these be reduced to a minimum.

The Industrial Development by Equalization Association (IDEA) has been formed to study and draft the legislation to bring about this reduction. John T. Cadby, secretary-manager of the Montana Automobile Dealers Assn., was elected chairman; and Avis Ann Tobin, executive secretary of the Montana Hardware and Implement Assn., is secretary-treasurer. The group will seek to end the taxes through reclassification. This would leave such taxes on the books but the taxable value would be reduced to a negligible amount such as 1 per cent. At the same time, a constitutional amendment proposal will be sought to put the question of ending such taxes to the public in 1968.

Free Port Law

Failing this for all inventory goods, it would be well for the legislature to consider a free port law which would reduce or exempt from property taxation "free port merchandise." This is merchandise manufactured or produced outside the state and stored here in transit for shipment to points outside the state, or goods manufactured in Montana for shipment outside the state. Wyoming has a free port law, as does Utah, Colorado, Idaho, North Dakota, Nevada, and about 30 other states. The May, 1966, newsletter of the Utah Industrial Promotion Commission states, "Although there was some resistance to the idea of Utah becoming a free port state, Utah's free port law has become the greatest single factor for attracting new industry."

Industrial Credit Corp.

The State Planning Board would recommend the establishment of an industrial development credit corporation. Enabling legislation for this type of financing has been presented to the legislature three times previously but has been unsuccessful for one reason or another.

Securing financing for smaller and intermediate business enterprises seeking location in Montana or for expansion of existing industrial facilities is usually difficult. Legislation for an industrial development credit corporation enables financial institutions to invest a portion of their profits in the corporation, providing a legal device for spreading risk capital needed for industrial expansion.

The State Planning Board believes it would be helpful to the industrial development program of Montana and will attempt to have a bill drafted for presentation early in the 1967 legislative session. However, the people who need this financing are not organized to present an effective lobby for it. But it is hoped that legislators who have dealt with it in the past will take a more serious look at it in the 1967 session.

TOP EUROPEAN & U. S. RACERS

(Continued from page 1)

tria alone. Efforts are being made now to raise money to send a team of our lugers to Europe to compete in the Olympic test trials at Grenoble, France, and possibly to Hammarstrand, Sweden, for the 1967 World Luge Championships.

A good deal of enthusiasm for the sport has built up in the one year since it was introduced at Lolo Hot Springs. U. S. Olympic Luge Committee Secretary Pat Byrne, on the staff of the State Planning Board, Helena, has prepared a set of luge regulations and course engineering data as drafted by the International Luge Federation, and a brief history of luge entitled "What Is Luge?" The information has been requested by interested groups from Canada, Colorado, West Virginia, and Michigan, and will probably result in there being a number of courses in operation next year in the United States and Canada, besides the Treasure State Luge Capital at Lolo. Inquiries about the clinic have come from all over. A man in New Orleans wrote that he and his wife would try to attend.

The sleds are being manufactured in Missoula and are available from Wayne Jacobson, P. O. Box 320, Missoula, who makes the "Luge King" and through Brandex Corp., P. O. Box 291, Missoula, which is the distributor for children's sleds and the "Lolo Luge." The sleds are highly maneuverable and can be used on a snow-packed mountain road as well as a regular luge course.

Rocky Mountain States Form Federation

Montana has joined with six other western states to form the Federation of Rocky Mountain States, Inc. The federation is an outgrowth of the first Rocky Mountain States Governors' Economic Development Conference held last year in Denver to consider the possibility of initiating interstate cooperation to accelerate the economic and social growth of the region. Other states in the federation are Idaho, Wyoming, Arizona, Colorado, Utah, and New Mexico.

On the Board of Directors from Montana are Governor Tim Babcock, Samuel J. Chapman, director of the State Planning Board; Dr. Norman E. Taylor, director of the Bureau of Business and Economic Research at the University of Montana; and Dr. Byron J. Bennett, dean of the College of Engineering at Montana State University. Mr. Chapman serves as secretary of the federation. George I. Redhair, vice president of Mountain States Telephone and Telegraph Co., Helena, is a vice president. George C. Hatch, chairman of Intermountain Network, Inc., Salt Lake City, is acting president of the federation.

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